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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON - Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

Arizona Corporation Commission

DOCKETED

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IN THE MATTER OF THE APPLICATION OF  
ASH FORK DEVELOPMENT ASSOCIATION,  
INC., DBA ASH FORK WATER SERVICE, FOR  
APPROVAL OF A RATE ADJUSTMENT.

DOCKET NO. W-01004B-08-0508

RATE CASE  
PROCEDURAL ORDER

**BY THE COMMISSION:**

On October 1, 2008, Ash Fork Development Association, Inc., dba Ash Fork Water Service ("Ash Fork"), filed with the Arizona Corporation Commission ("Commission") a Rate Application for Water Companies with Annual Gross Operating Revenues (Including Requested Relief) of Less than \$250,000.

On October 31, 2008, the Commission's Utilities Division Staff ("Staff") filed a Letter of Sufficiency stating that Ash Fork's application had met the sufficiency requirements outlined in Arizona Administrative Code ("A.A.C.") R14-2-103. The letter further stated that Ash Fork has been classified as a Class C water utility, but has been granted a waiver from the requirement to file Schedules A through H and is being permitted to file a Rate Application for Water Companies with Annual Gross Operating Revenues (Including Requested Relief) of Less than \$250,000.

Comments from Earl M. Hasbrouck were filed on November 3 and November 4, 2008. Although Mr. Hasbrouck indicated that he may seek to intervene in the future, Mr. Hasbrouck did not request intervention.

On November 7, 2008, a Procedural Order was issued scheduling a telephonic procedural conference for November 14, 2008.

On November 14, 2008, the telephonic procedural conference was held as scheduled. Ash Fork was represented by Lewis E. Hume, Manager, and Staff was represented by counsel. During the procedural conference, Mr. Hume stated that a Board Resolution specifically authorizing him to

1 represent Ash Fork would be completed by November 21, 2008, and would then be filed with the  
2 Commission's Docket Control. As to the scheduling of this matter, it was agreed that a Staff Report  
3 would be filed by March 16, 2009; that Ash Fork's response to the Staff Report would be filed by  
4 April 6, 2009; that a telephonic prehearing conference would be held on May 5, 2009; and that a  
5 hearing in this matter would be held in Phoenix on May 19, 2009.

6 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall  
7 commence on **May 19, 2009, at 10:00 a.m.**, or as soon thereafter as is practicable, at the  
8 Commission's offices, Hearing Room #1, 1200 West Washington, Phoenix, Arizona 85007.

9 IT IS FURTHER ORDERED that a **telephonic pre-hearing conference** shall be held on  
10 **May 5, 2009, at 10:00 a.m.**, or as soon thereafter as is practicable, and that all parties shall contact  
11 the Hearing Division on **January 5, 2009, at 602-542-4250 for further information regarding the**  
12 **call-in phone number.**

13 IT IS FURTHER ORDERED that the **Staff Report** in this matter shall be filed on or before  
14 **March 16, 2009. With the Staff Report, Staff shall include copies of any documents that it**  
15 **intends to submit as exhibits during the evidentiary hearing.**

16 IT IS FURTHER ORDERED that **Ash Fork's response to the Staff Report and any**  
17 **intervenor's response** to the Staff Report and/or Application shall be reduced to writing and filed on  
18 or before **April 6, 2009. Any such response shall include copies of any documents that Ash Fork**  
19 **or an intervenor intends to submit as exhibits during the evidentiary hearing.**

20 IT IS FURTHER ORDERED that **any additional responsive testimony and associated**  
21 **exhibits and any substantive corrections, revisions, or supplements to the filings required herein**  
22 **shall be reduced to writing and filed on or before April 27, 2009.**

23 IT IS FURTHER ORDERED that any **objections to the Staff Report, Ash Fork's response,**  
24 **any intervenor's response, any additional responsive testimony, or any exhibits** shall be reduced  
25 to writing and filed on or before **May 4, 2009**, so that they may be discussed during the prehearing  
26 conference, if appropriate.

27 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-  
28 105, except that all motions to intervene must be filed on or before **March 27, 2009.**

1 IT IS FURTHER ORDERED that any **objections to intervention** shall be filed on or before  
2 **April 3, 2009.**

3 IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by  
4 the Commission within 20 calendar days of the filing date of the motion shall be deemed denied.

5 IT IS FURTHER ORDERED that any responses to motions shall be filed within five calendar  
6 days of the filing date of the motion.

7 IT IS FURTHER ORDERED that any replies shall be filed within five calendar days of the  
8 filing date of the response.

9 IT IS FURTHER ORDERED that Ash Fork shall provide public notice of the hearing in this  
10 matter, in the following form and style, with the heading in no less than 12-point bold type and the  
11 body in no less than 6-point regular type:

12  
13 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF ASH FORK**  
14 **DEVELOPMENT ASSOCIATION, INC., DBA ASH FORK WATER SERVICE,**  
**FOR APPROVAL OF A RATE ADJUSTMENT.**  
(Docket No. W-01004B-08-0508)

15 **Summary**

16 On October 1, 2008, Ash Fork Development Association, Inc., dba Ash Fork Water  
17 Service ("Ash Fork"), filed with the Arizona Corporation Commission  
18 ("Commission") a Rate Application requesting an increase in its current rates and  
19 charges. With this rate application, Ash Fork requests authorization to increase its  
20 rates to generate an additional \$36,221 in annual revenue, approximately a 12%  
21 increase over its reported 2007 test year total operating revenues of \$297,619. The  
rate application requests an increase in monthly minimum service charges, in  
commodity charges for metered customers, in the commodity charge for standpipe  
bulk water sales, in service line and meter installation charges, and in some service-  
related charges. The application does not request an increase in the commodity  
charges for coin-operated standpipes or filtered water dispensers. Ash Fork states that  
it requires the increase because it incurred a net loss of \$36,556 in its test year.

22 The Commission's Utilities Division Staff ("Staff") is in the process of auditing and  
23 analyzing Ash Fork's records and has not yet made a recommendation regarding the  
24 rate application. The Commission will determine the appropriate relief to be granted  
25 based on the evidence of record in the proceeding. The Commission is not bound by  
the proposals made by Ash Fork, Staff, or any intervenors; therefore, the final rates  
approved may differ from the rates requested by Ash Fork.

26 **How You Can View or Obtain a Copy of the Rate Proposal**

27 Copies of the application and proposed rates are available at Ash Fork's offices  
28 [COMPANY INSERT ADDRESS HERE] and at the Commission's Docket Control  
Center at 1200 West Washington, Phoenix, Arizona, for public inspection during  
regular business hours, and on the Internet via the Commission's website  
(www.azcc.gov) using the e-Docket function.

**Arizona Corporation Commission Public Hearing Information**

The Commission will hold a hearing on this matter beginning **May 19, 2009, at 10:00 a.m.**, at the Commission's offices, Hearing Room #1, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket No. W-01004B-08-0508 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to [http://www.azcc.gov/divisions/utilities/forms/public\\_comment.pdf](http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf). If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000 or 602-542-4251.

**About Intervention**

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you desire to intervene, you must file a written motion to intervene with the Commission no later than **March 27, 2009**. You must send a copy of the motion to intervene to Ash Fork and to all parties of record. Your motion to intervene must contain the following:

1. Your name, address, and telephone number and the name, address, and telephone number of any party upon whom service of documents is to be made, if not yourself;
2. A short statement of your interest in the proceeding (e.g., a customer of Ash Fork, a shareholder of Ash Fork, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to Ash Fork and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **March 27, 2009**. If representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

**ADA/Equal Access Information**

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Linda Hogan, at [LHogan@azcc.gov](mailto:LHogan@azcc.gov), voice phone number (602) 542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that, by **February 27, 2009**, Ash Fork shall mail to each current customer a copy of the above notice, post a copy of the above notice at each standpipe

1 and filtered water dispenser location, and cause the above notice to be published at least once in a  
2 newspaper of general circulation in its service territory.

3 IT IS FURTHER ORDERED that Ash Fork shall file **certification of mailing, posting, and**  
4 **publication** as soon as practicable after the mailing, posting, and publication has been completed, but  
5 **no later than March 16, 2009.**

6 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing/publication  
7 of same, notwithstanding the failure of an individual to read or receive the notice.

8 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules  
9 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission  
10 *pro hac vice*.

11 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized  
12 Communications) applies to this proceeding and shall remain in effect until the Commission's  
13 Decision in this matter is final and non-appealable.

14 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended  
15 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

16 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
17 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

18 DATED this 19th day of November, 2008.

19  
20   
21 SARAH N. HARPRING  
22 ADMINISTRATIVE LAW JUDGE


23 Copies of the foregoing mailed/delivered  
24 this 19th day of November, 2008 to:

25 Lewis E. Hume, Manager  
26 Ash Fork Development Association  
27 dba Ash Fork Water Service  
28 P.O. Box 436  
Ash Fork, Arizona 86320-0436

1 Janice Alward, Chief Counsel  
2 Legal Division  
3 ARIZONA CORPORATION COMMISSION  
4 1200 W. Washington Street  
5 Phoenix, Arizona 85007

6 Ernest Johnson, Director  
7 Utilities Division  
8 ARIZONA CORPORATION COMMISSION  
9 1200 W. Washington Street  
10 Phoenix, Arizona 85007

11 ARIZONA REPORTING SERVICE, INC.  
12 2200 North Central Avenue, Suite 502  
13 Phoenix, Arizona 85004-1481

14 By:   
15 Debbi Person  
16 Secretary to Sarah N. Harpring  
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